Republicans to Unemployed Americans: You're On Your Own

After hitting "pause" on coronavirus relief, President Trump and Congressional Republicans are about to let enhanced unemployment assistance expire for over 30 million Americans – one in five workers – who are unemployed through no fault of their own. While Americans worry about how to pay the bills and make ends meet during this unprecedented crisis, many Republicans are outright opposing any extension of this critical assistance and misleading the public. Once again, we are seeing the GOP tell the American people: "you're on your own."

From the Huffington Post:

"As Senate Republicans try to advance a coronavirus relief bill with only \$200 a week in extra unemployment benefits — down from the expiring \$600 — many House Republicans are signaling that they're opposed to any extra money at all."

"Zero is the number for me,' Rep. Roger Williams (R-Texas) told HuffPost on Wednesday."

"Rep. Austin Scott (R-Ga.) claimed the majority of people thought it was a good idea to not have any 'bonus unemployment' (**polls show completely the opposite**)."

"The Republicans pressed their case against giving jobless people any extra money amid the continuing global pandemic and its ripple effects of an unemployment rate that remains over 11% and a U.S. economy that declined by almost 33% in the second quarter — the largest drop. They see the aid as an incentive for many to stay unemployed. 'I'm not sure that we should be adding to a state's unemployment,' said Rep. Andy Biggs (R-Ariz.). When HuffPost asked if zero was the right number in the debate over extending the additional jobless aide, he said, 'It may be."

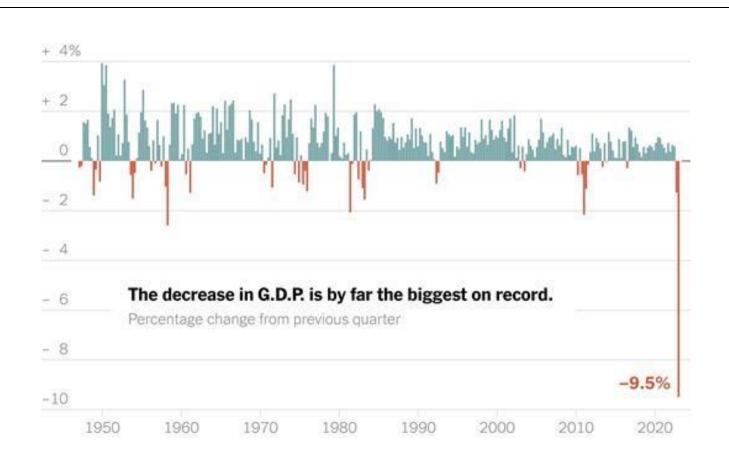
Republicans dismissed the notion that many people may not want to go back to work because of concerns about being infected by the coronavirus. Instead, for them, they dwelled on their argument that the extra unemployment aid is an incentive for people to remain out of the workforce... Williams said, an employer as the owner of car dealerships, said he knew the extra money was 'really hurting our ability to get back to work.' ... 'The economy is good,' Williams said. 'You know, with low interest, low taxes, and cash in the system, the economy's pretty good,' ... Williams himself has been the beneficiary of coronavirus-related government aid, receiving money through the Paycheck Protection Program designed to help small businesses stay afloat and keep employees on their payrolls."

Meanwhile, the American people are suffering and the economy is in the tank. Yesterday, we learned that GDP shrank by nearly 10% over the last 3 months, the worst decline on record, and new weekly UI claims surpassed 1.3 million for the 19th straight week.

From the New York Times:

"Economic output fell at its fastest pace on record last spring as the coronavirus pandemic forced businesses across the United States to close their doors and kept millions of Americans shut in their homes for weeks. Gross domestic product — the broadest measure of goods and services produced — fell 9.5 percent in the second quarter of the year, the Commerce Department said Thursday. On an annualized basis, the standard way of reporting quarterly economic data, G.D.P. fell at a rate of 32.9 percent."

Office of Majority Leader Steny H. Hoyer, 07/31/20



And despite Republican claims, Americans are not staying home from work because of expanded unemployment assistance. It is against the law to do that, and experts agree there is no evidence that expanded assistance has reduced employment.

From Yale News:

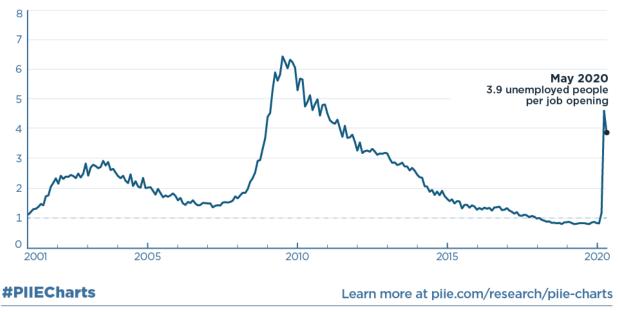
"A new report by Yale economists finds no evidence that the enhanced jobless benefits Congress authorized in March in response to the COVID-19 pandemic reduced employment. The report addresses concerns that the more generous unemployment benefits, which provide \$600 per week above state unemployment insurance payments, would disincentivize work...The report found that workers receiving larger increases in unemployment benefits experienced very similar gains in employment by early May relative to workers with less-generous benefit increases. People with more generously expanded benefits also resumed working at a similar or slightly quicker rate than others did, according to the report."

From the Peterson Institute:

"The current unemployment crisis is driven by a lack of jobs, not by American unwillingness to work. In May, there were nearly 4 jobless people for every job opening."

US unemployment is driven by a lack of employer demand, not an unwillingness to work





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Note: "Unemployed people" includes workers on temporary furlough.

Source: Bureau of Labor Statistics; Macrobond; author's calculations.

As this critical lifeline expires, we remind Senator McConnell what he said in May:

"Obviously a lot of Americans have lost their jobs, so we need to make sure we have unemployment properly funded for as long as we need. And that could well lead to yet another bill."

This crisis has only gotten worse since then. While House Democrats passed the Heroes Act eleven weeks ago, Republicans refused to act, they chose to hit pause. The American people cannot afford further delays. Bills are due, assistance is expiring, and they need decisive action now.